



Audits – Bay & Central Region
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January 23, 2009

San Diego County HHS Behavioral Health Services
Alfredo Aguirre, LCSW Director
P.O. Box 85524
Mail Stop P-531C
San Diego, 92186-5524

Dear Mr. Aguirre:

AUDIT REPORT – UNITED BEHAVIORAL HEALTH

We have examined the Short-Doyle/Medi-Cal Cost Report and Data Collection (CR/DC) report of San Diego County for the fiscal period July 1, 2003 through June 30, 2004. Our examination was made in accordance with Section 14170 of the Welfare and Institutions Code and included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

In our opinion, the amount shown in the accompanying Summary of Federal Short-Doyle/Medi-Cal Net Program Costs (Schedule 1) represents the actual net program costs allowable under the above-mentioned statutes.

The effect of this revised allowable program costs is as follows:

Net Short-Doyle/Medi-Cal Program Cost As Reported (FFP)	\$ 286,360
Net Short-Doyle/Medi-Cal Program Cost As Audited (FFP)	<u>28,097</u>
Overstatement of Net Program Cost (FFP)	<u>\$ 258,263</u>

If you disagree with any of the results of this audit, you may request an informal conference. This request must be in writing and be received by the Department of Health Services within sixty (60) calendar days following the date of receipt of the overall County Community Mental Health Services report.

Alfredo Aguirre, LCSW Director
January 23, 2009
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Your notice of disagreement should be directed to John Melton, Chief, Administrative Appeals, Office of Legal Services, Department of Health Services, 1029 J Street, Suite 200, Sacramento, CA 95814 and should be in conformance with the provisions of Sections 51016 and sequence, Title 22 of the California Code of Regulations.

Sincerely,

for Shirley Castaneda
WALTER J. HILL, JR., MBA, EA
Chief of Audits

Shirley Castaneda
SHIRLEY CASTANEDA, Supervisor
Audits – Northern Region

Enclosures

CERTIFIED MAIL

SAN DIEGO COMMUNITY MENTAL HEALTH SERVICES
SUMMARY OF NET REIMBURSABLE MEDI-CAL PROGRAM COSTS
FISCAL YEAR ENDED JUNE 30, 2004

LEGAL ENTITY NAME: UNITED BEHAVIORAL HEALTH
LEGAL ENTITY NUMBER: 00663

		<u>As Settled</u>	<u>Audit Adjustments</u>	<u>As Audited</u>
<u>NET REIMBURSABLE MEDI-CAL PROGRAM COST</u>				
FEDERAL - FFP	(Sch. 2)	\$ <u>286,360</u>	\$ <u>(258,263)</u>	\$ <u>28,097</u>

**SAN DIEGO COMMUNITY MENTAL HEALTH SERVICES
SUMMARY OF MEDI-CAL PROGRAM COSTS BY MODE OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2004**

**LEGAL ENTITY NAME: UNITED BEHAVIORAL HEALTH
LEGAL ENTITY NUMBER: 00663**

		Audit		
		As Settled	Adjustments	As Audited
<u>Total Medi-Cal Gross Reimbursement</u>				
1. Inpatient SD/MC	(MH 1968, Ln 11, 11A)	\$ 0	\$ 0	\$ 0
2. Outpatient SD/MC	(MH 1968, Ln 11, 11A)	0	0	0
3. Enhanced SD/MC (Children) - I/P	(MH1968, Ln 16, 16A)	0	0	0
4. Enhanced SD/MC (Children) - O/P	(MH1968, Ln 16, 16A)	0	0	0
5. Enhanced SD/MC (Refugees) - I/P	(MH1968, Ln 22)	0	0	0
6. Enhanced SD/MC (Refugees) - O/P	(MH1968, Ln 22)	0	0	0
7. Healthy Family Gross Reimbursement-I/P	(MH1968, Ln 27, 27A)	0	0	0
8. Healthy Family Gross Reimbursement-O/P	(MH1968, Ln 27, 27A)	0	0	0
9. Total		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Less: Patient & Other Payor Revenues</u>				
10. Inpatient SD/MC	(MH 1968, Ln 28, 28A)	\$ 0	\$ 0	\$ 0
11. Outpatient SD/MC	(MH 1968, Ln 28, 28A)	0	0	0
12. Enhanced SD/MC (Children)-I/P	(MH 1968, Ln 29)	0	0	0
13. Enhanced SD/MC (Children)-O/P	(MH 1968, Ln 29)	0	0	0
14. Enhanced SD/MC (Refugees) - I/P	(MH1968, Ln 30)	0	0	0
15. Enhanced SD/MC (Refugees) - O/P	(MH1968, Ln 30)	0	0	0
16. Healthy Family Patient Revenue-I/P	(MH 1968, Ln 31)	0	0	0
17. Healthy Family Patient Revenue-O/P	(MH 1968, Ln 31)	0	0	0
18. Total		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Medi-Cal Net Reimbursement for Direct Services</u>				
19. Inpatient SD/MC (Incl Children Enhanc)	(Ln 1,3 - Ln 10,12)	\$ 0	\$ 0	\$ 0
20. Outpatient SD/MC (Incl Children Enhanc)	(Ln 2,4 - Ln 11,13)	0	0	0
21. Enhanced SD/MC (Refugees)-I/P	(Ln 5 - Ln 14)	0	0	0
22. Enhanced SD/MC (Refugees)-O/P	(Ln 6 - Ln 15)	0	0	0
23. Healthy Family-I/P	(Ln 7 - Ln 16)	0	0	0
24. Healthy Family-O/P	(Ln 8 - Ln 17)	0	0	0
25. Total		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Medi-Cal MAA Reimbursement</u>				
26. Service Functions 01-09	(MH1979, Ln 11, Col. A)	\$ 4,711	\$ (4,657)	\$ 54
27. Service Functions 11-19, 31-39	(MH1979, Ln 12, Col. A)	568,011	(511,871)	56,140
28. Total		<u>\$ 572,722</u>	<u>\$ (516,528)</u>	<u>\$ 56,194</u>
<u>Amount Negotiated Rates Exceed Cost</u>				
29. Inpatient SD/MC (Incl Children Enhanc)	(MH 1968, Ln 38, 38A)	\$ 0	\$ 0	\$ 0
30. Outpatient SD/MC (Incl Children Enhanc)	(MH 1968, Ln 38, 38A)	0	0	0
31. Enhanced SD/MC (Refugees)-I/P	(MH1968, Ln 39)	0	0	0
32. Enhanced SD/MC (Refugees)-O/P	(MH1968, Ln 39)	0	0	0
33. Healthy Families-I/P	(MH 1968, Ln 40, 40A)	0	0	0
34. Healthy Families-O/P	(MH 1968, Ln 40, 40A)	0	0	0
35. Total		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Net Reimbursable Cost - FFP</u>				
36. Direct Services	(MH1979, Ln 16, 16A)	\$ 0	\$ 0	\$ 0
37. Enhanced SD/MC (Children)	(MH1979, Ln 17, 17A)	0	0	0
38. Enhanced SD/MC (Refugees)	(MH1979, Ln 18)	0	0	0
39. MAA	MH 1979, Ln 11, 12)	286,360	(258,263)	28,097
40. Negotiated Rate-Payback-SD/MC & Enh	(MH1979, Ln 20)	0	0	0
41. Healthy Families Reimbursement	(MH1979, Ln 27)	0	0	0
42. Total - FFP		<u>\$ 286,360</u>	<u>\$ (258,263)</u>	<u>\$ 28,097</u>
Contract Maximum		<u>\$ 4,335,181</u>	<u>\$ 0</u>	<u>\$ 4,335,181</u>
Lower of Net Reimbursable Cost or Contract Maximum		<u>\$ 286,360</u>	<u>\$ (258,263)</u>	<u>\$ 28,097</u>
				(To Sch.1)

UNITED BEHAVIORAL HEALTH
A SAN DIEGO COUNTY CONTRACT PROVIDER
MANAGEMENT COMMENTS AND RECOMMENDATIONS
FISCAL PERIOD ENDED JUNE 30 2004

FINDING – RECLASSIFICATION OF MAA COSTS

Our examination disclosed that United Behavioral Health (UBH) reported total Medi-Cal Administrative Activities cost of \$1,322,830. The MAA activities were Medi-Cal Outreach (Mode 55, SFC 01) \$4,711, Crisis Referral According (Mode 55, SFC 11) \$399,971, Discounted MH Outreach (Mode 55, SFC 17) \$914,985, and Non-SPMP Case Management (Mode 55, SFC 31) \$3,164.

However, County's submitted MAA Quarterly Claims on behalf of United Behavioral Health contractor were as follows:

1st Quarter:	\$328,247
2 nd Quarter:	\$315,559
3 rd Quarter:	\$326,651
4 th Quarter:	<u>\$310,942</u>
Total:	<u>\$1,281,399</u>

The quarterly claims total of \$1,281,399 did not tie to United Behavioral Health Contractor cost report submitted by San Diego County on behalf of the contractor. The settled MAA cost of \$1,322,830 in the cost report is \$41,431 higher and cannot be explained by either the County or the contractor as of the date of this audit report.

The latest approved MAA claiming plan dated March 13, 1998 stated the number of employees and the employees' classification as follows:

Job Classifications	Number of staff
Medical Director	1
Community Outreach-Education Coordinator	1
Reimbursement Manager	1
Financial Eligibility Counselor	3
Mediator-Complaints/Appeals Coordinator	1
Director Clinical Operations	1
Manager, Clinical	1
Case Manager	5
Consumer Support Coordinator	1
Consumer Support	5
Team Assistant	3
Access Manager	1
Access Clinician	13
Team Assistant	3
Health Plan Liaison	1
Training Manager	1
Staff Trainer	1
Total Number of Approved Employees:	<u>43</u>

UNITED BEHAVIORAL HEALTH
A SAN DIEGO COUNTY CONTRACT PROVIDER
MANAGEMENT COMMENTS AND RECOMMENDATIONS
FISCAL PERIOD ENDED JUNE 30 2004

FINDING continued...

UBH working paper identified 25 MAA staff that included total salaries and benefits of \$684,138. These MAA salaries and benefits were calculated using total UBH employee count rather than actual MAA staff salaries and benefits.

In addition, Intake Clinicians were included and were not approved in the MAA plan. UBH included 10 employees' Intake Clinician's salaries and benefits. Thus, those job classifications not found on the approved MAA plan were excluded in calculating MAA salaries and benefits.

MAA Testing

The Department tested 100% of the UBH claimed MAA salaries and benefits. MAA time sheets were requested for all 25 MAA staff. However, the contractor can only provide employee time reports rather than certified MAA time sheets for each 25 employees. UBH employee MAA time reports were electronic data reports which were not certified by UBH staff that claimed MAA hours. The UBH MAA time reports included the employee name, date of activity, MAA activities, and number of MAA hours.

UBH MAA time reports were electronically "input" by each MAA staff. Although the MAA time reports generated by the computer system had no employees' certification, UBH claimed that "Each Access and Crisis Line (ACL) clinician has a unique user name and password and must log into eCura in order to log a call. The Access and Crisis Line (ACL) clinicians are required to log every call received in the Contact Tracking module of the eCura Information System.

A time stamp in the background stores the start time and corresponding end time for each received call. All received calls reflect the "Opened Date and Opened By fields, and starts the Elapsed Time". After each call, the ACL completes the remaining fields in the Contact Tracking form.

The UBH Management Reporting System allows UBH to extract the call data and compile detailed reports of all calls logged in the Contact Tracking module. These reports were used to create the MAA time tracking reports by clinician based on the call type recorded in the Contact Tracking form.

UNITED BEHAVIORAL HEALTH
A SAN DIEGO COUNTY CONTRACT PROVIDER
MANAGEMENT COMMENTS AND RECOMMENDATIONS
FISCAL PERIOD ENDED JUNE 30 2004

MAA Costs and units

The audited MAA salaries and benefits cost of \$69,060 was the basis used to determine the MAA percentage to calculate other operating costs and indirect cost for MAA. The Department identified and \$61,272 other costs. The difference of \$1,192,498 remaining claimed MAA costs and 176,237MAA units were reclassified to Mode 45 Outreach Services to reflect the contractor's records.

AUDIT AUTHORITY

Center for Medicare and Medicaid Services (CMS) Pub. 15-1, Section 2304, Fiscal Year 2003-04 and Financial Reporting System (CFRS)
California Code of Regulations (CCR), Title 9, Division 1, Section 640 and 642

RECOMMENDATION

We recommend that the County follow instructions per the DMH Letter No. 04-10, Cost Report Policy dated October 19, 2004. Under Section I J, when reporting the MAA program costs. This section states, in part:

"Costs for MAA activities must be actual cost and therefore must be directly allocated."

In addition, under the cost report instruction, MAA costs reported in the cost report must be based on actual staff time captured at the service function level. The County must ensure that all records utilized in the preparation of the Short-Doyle Medi-Cal cost report must be properly kept and readily available for review. Supporting documentation must be properly labeled and have an audit trail. Accounting records and supporting documents must be retained for four years after the closing of the fiscal year or until such time as the audit has been settled for the fiscal year.

In addition, internal procedures in record keeping must be implemented to ensure that all supporting documentation are properly filed and kept. This will facilitate the completion of the audit in a timely manner.

The lack of compliance with these provisions could result in audit exceptions in the future.

AUDITEE RESPONSE

No response from the auditee.

AUDIT ADJUSTMENTS

Provider				Provider Number	No. of Adj.	Fiscal Period Ended	
UNITED BEHAVIORAL HEALTH				00663	10	June 30, 2004	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED COSTS</u>			
1	MH 1964	6	A	OUTREACH SERVICES (MODE 45)	\$ 0	\$ 1,192,498	\$ 1,192,498
2	MH 1964	7	A	MEDI-CAL ADMINISTRATIVE ACTIVITIES (MODE 55)	\$ 1,322,830	\$ (1,192,498)	\$ 130,332
				To reclassify MAA cost to outreach services agree with the provider's supporting documentation.			
				CMS PUB. 15-1 SEC. 2304			
				<u>ADJUSTMENTS TO REPORTED TOTAL UNITS</u>			
3	MH 1966A	2	B	TOTAL UNITS - MODE 55 - 01	1,072	(1,013)	59
4	MH 1966A	2	C	TOTAL UNITS - MODE 55 - 11	91,024	(57,914)	33,110
5	MH 1966A	2	D	TOTAL UNITS - MODE 55 - 17	208,229	(116,854)	91,375
6	MH 1966A	2	E	TOTAL UNITS - MODE 55 - 31	720	(455)	265
7	MH 1966A	2	B	TOTAL UNITS - MODE 45 - 10	0	176,237	176,237
Info.				TOTAL	301,045	1	301,046
				To reclassify MAA total units to Outreach total units to agree with the provider's supporting documentation.			
				<u>ADJUSTMENTS TO REPORTED SHORT-DOYLE/MEDI-CAL SETTLEMENT</u>			
8	MH 1979	11	A	MEDI-CAL ADMIN. ACTIVITIES SVC FUNCTIONS 01 - 09	\$ 4,711	\$ (4,657)	\$ 54
9	MH 1979	12	A	MEDI-CAL ADMIN. ACTIVITIES SVC FUNCTIONS 11-19, 31-39	\$ 568,011	\$ (511,871)	\$ 56,140
				To adjust Total Gross Cost Reimbursement to reflect the result of the adjustments made to costs.			
10	MH 1979	23	J	TOTAL SD/MC REIMBURSEMENT -FFP	\$ 286,361	\$ (258,264)	\$ 28,097
				To adjust Total Short-Doyle/Medi-Cal Reimbursement to reflect the result of the adjustment made to costs.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

CALCULATION OF PROGRAM COSTS
MH 1960 (08/04)

FISCAL YEAR 2003 - 2004

County: SAN DIEGO
County Code: 37

Legal Entity: UNITED BEHAVIORAL HEALTH		A	B	C
Legal Entity Number: 00663		Salaries and Benefits	Other	Total Costs
1	Mental Health Expenditures	684,138	638,692	1,322,830
2	Encumbrances			
3	Less: Payments to Contract Providers (County Only)			
4	Other Adjustments from MH 1962			
5	Total Costs Before Medi-Cal Adjustments	684,138	638,692	1,322,830
6	Medi-Cal Adjustments from MH 1961			
7	Managed Care Consolidation (County Only)			
8	Allowable Costs for Allocation			1,322,830
	Administrative Costs (County Only)			
9	SD/MC Administration			
10	Healthy Families Administration			
11	Non-SD/MC Administration			
12	Total Administrative Costs			
	Utilization Review Costs (County Only)			
13	Skilled Professional Medical Personnel			
14	Other SD/MC Utilization Review			
15	Non-SD/MC Utilization Review			
16	Total Utilization Review Costs			
17	Research and Evaluation (County Only)			
18	Mode Costs (Direct Service and MAA)			1,322,830
19	Total Costs - Lines 9 through 18			1,322,830

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY
ALLOCATION OF COSTS TO MODES OF SERVICE
MH 1964 (08/04)

DEPARTMENT OF MENTAL HEALTH

FISCAL YEAR 2003 - 2004

County: SAN DIEGO
County Code: 37

Legal Entity: UNITED BEHAVIORAL HEALTH		A
Legal Entity Number: 00663		Total
		Costs
1	Mode Costs (Direct Service and MAA) from MH 1960	1,322,830
	Modes	
2	Hospital Inpatient Services (Mode 05-SFC 10-19)	
3	Other 24 Hour Services (Mode 05-All Other SFC)	
4	Day Services (Mode 10)	
5	Outpatient Services (Mode 15 Program 1 + Program 2)	
6	Outreach Services (Mode 45)	1,192,498
7	Medi-Cal Administrative Activities (Mode 55)	130,332
8	Support Services (Mode 60)	
9	Total - Lines 2 through 8	1,322,830

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

ALLOCATION OF COSTS TO SERVICE FUNCTIONS - MODE TOTAL
MH 1966 (08/04)

DETAIL COST REPORT

PAGE 1 OF 1

FISCAL YEAR 2003 - 2004

County: SAN DIEGO
County Code: 37

CR

Legal Entity: UNITED BEHAVIORAL HEALTH		A	B	C	D	E	F	G
Legal Entity Number: 00663		Mode Total	Service	Service	Service	Service	Service	Service
Mode: 45 - Outreach			Function	Function	Function	Function	Function	Function
			10					
1	Allocation Percentage	100.00%	100.00%					
2	Total Units		176,237					
3	Gross Cost	1,192,498	1,192,498					
4	Cost per Unit		6.77					
5	Non-Medi-Cal Units		176,237					
6	Non-Medi-Cal Costs	1,192,498	1,192,498					

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

ALLOCATION OF COSTS TO SERVICE FUNCTIONS - MODE TOTAL
MH 1966 (08/04)

DETAIL COST REPORT

PAGE 1 OF 1
FISCAL YEAR 2003 - 2004

County: SAN DIEGO
County Code: 37

		MAA	MAA	MAA	MAA		
Legal Entity: UNITED BEHAVIORAL HEALTH		A	B	C	D	E	F
Legal Entity Number: 00663			Service	Service	Service	Service	Service
Mode: 55 - Medi-Cal Administrative Activities		Mode Total	Function	Function	Function	Function	Function
			01	11	17	31	
1	Allocation Percentage	100.00%	0.04%	29.47%	70.28%	0.21%	
2	Total Units		59	33,110	91,375	265	
3	Total Expenditures	130,332	54	38,407	91,601	270	
4	Cost per Unit		0.92	1.16	1.00	1.02	
5	Non-Medi-Cal Costs	74,138					

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

DETAIL COST REPORT

SD/MC PRELIMINARY DESK SETTLEMENT
MH 1979 (08/04)

FISCAL YEAR 2003 - 2004

County: SAN DIEGO
County Code: 37

Legal Entity: UNITED BEHAVIORAL HEALTH		A	B	C	D	E	F	G	H	I	J
Legal Entity Number: 00663		Total MAA	Total Inpatient	Total Outpatient	Total	50.00% FFP	54.35% FFP	52.95% FFP	Variable % FFP	75.00% FFP	Total FFP
	SD/MC Administrative Reimbursement (County Only)										
1	County SD/MC Direct Service Gross Reimbursement										
2	Contract Providers Medi-Cal Direct Service Gross Reimbursement										
3	Total Medi-Cal Direct Service Gross Reimbursement										
4	Medi-Cal Administrative Reimbursement Limit										
5	Medi-Cal Administration										
6	Medi-Cal Administrative Reimbursement										
	Healthy Families Administrative Reimbursement (County Only)										
7	County Healthy Families Direct Service Gross Reimbursement										
7A	Contract Providers Healthy Families Direct Service Gross Reim.										
7B	Total Healthy Families Direct Service Gross Reimbursement										
8	Healthy Families Administrative Reimbursement Limit										
9	Healthy Families Administration										
10	Healthy Families Administrative Reimbursement										
	SD/MC Net Reimbursement for MAA										
11	Medi-Cal Admin. Activities Svc Functions 01 - 09	54			54	27					27
12	Medi-Cal Admin. Activities Svc Functions 11 - 19, 31 - 39	56,140			56,140	28,070					28,070
13	Medi-Cal Admin. Activities Svc Functions 21 - 29 (County Only)										
14	Utilization Review-Skilled Prof. Med. Personnel (County Only)										
15	Other SD/MC Utilization Review (County Only)										
16	SD/MC Net Reimbursement for Direct Services										
16A											
17	Enhanced SD/MC Net Reimb. (Children)										
17A											
18	Enhanced SD/MC Net Reimb. (Refugees)										
19	Total SD/MC Reimbursement Before Excess FFP										28,097
20	Amount Negotiated Rates Exceed Costs - SD/MC & Enh. SD/MC										
21	Total SD/MC Reimbursement (FFP)										28,097
22	Contract Limitation Adjustment										
23	Adjusted Total SD/MC Reimbursement (FFP)										28,097
24	Healthy Families Net Reimbursement										
24A											
25	Total Healthy Families Reimbursement Before Excess FFP										
26	Amount Negotiated Rates Exceed Costs - Healthy Families										
27	Total Healthy Families Reimbursement										